

MTAC Focus Group Sessions
Wednesday, January 15, 2014

PRODUCT DEVELOPMENT

Gary Reblin, USPS VP-New Products and Innovation
Steve Colella, MTAC Industry Leader, Mailpiece Design/Product Development

Notes for each Focus Group Session for Product Development:

Standard Mail.....	1
Package Services.....	6
First-Class Mail... ..	10
Periodicals.....	15

Session 1: STANDARD MAIL

(Wanda Senne, MTAC Industry Leader)

- Gary Reblin welcomed all and recognized newly elected Industry Leader for Product Development Steve Colella. Steve reviewed the recent survey taken of Association of Marketing Service Providers (AMSP) members regarding their experiences participating in recent USPS promotions.
- Gary provided an overview on patent troll.
- **Alternate postage promotion** on greeting cards uses IMb so postage only paid on cards put in the mail. Advantage of this type of card is that postage is collected even though piece is not coming back to a centralized location as it is with BRM mail. Gary used Sponge Bob mailer as example. Omaha puts in thank you note with shipment so recipient can thank sender. Program had been approved by PRC as marketing test with Hallmark and it is now rolling out with 15 other companies showing interest in participating. Question by Paul Giampolo-is it available for Standard Mail? Answer - not yet.
- Incentives and Promotions-Presentation
Standard volume Q1 FY 14 down -7%; however had over \$500MM political mail in SPLY. Without political mail results would have been flat so far for this year. Anticipate December to be up. Q1 2013 up 3%, Q2, 3, and 4 was 1%

Wanda Senne: Made comment that USPS may not see change in volume in Q1 because budget set and exigency impact won't be seen until later in the year. USPS believes that mail is still the best value and most effective - and believes that will be overriding factor with keeping clients in the mail. More promotions being provided this year.

2014 Saturation & High Density Incentive

7,100 invitations mailed to customer

300 registered as of 1/8/14

Period Jan 1-Dec 31, 2014

Registration: Nov 12-Jan 31

Mid January-Volume Threshold Report, Certification Form and Threshold Inquiry Form sent to registrants

March 5-Certification Form or Threshold Inquiry Form Deadline

Bob Rosser: Having difficult time working with customers who may be unaware of program because letters not reaching correct people. Suggest using CRID or MID to Identify MSP may work with these people. Tom Foti concerned about upsetting companies by releasing data. Tom will check with Pritha Mehra to see if USPS can use CRID/MID to identify MSP associated with participating and/or eligible mail owner so MSP can work with mail owner to participate in the program.

Emerging Technology Promotion

Over 100 participants.

- Promotion encouraged technology adoptions
 - For 40% of participants surveyed emerging technology was a part of a new campaign at their respective companies
 - 100% of respondent had not used augmented reality on mail piece prior to the promotion
- Augmented reality was technology of choice
 - 90% of respondents exclusively considered the augmented reality component - did not consider near field communication(NFC) nor authentication.
 - 64% response rate to survey

Question-what type companies participated? Answer -a lot of retail mail: letters and catalogs; telecom: letters.

Product Samples Promotion

Customer Survey:

Participants:

Updated: 1/23/14

- Respondents said volume increased by up to 10% after being aware of promotion
- Some indicated that the discount amount (5%) did not inspire them to participate but did allow them to mail more volume
- Some sped up their process to make the promotion mail date

Non Participants:

Reasons why not:

- Did not register in time
- Non client interest
- Marketing parcel co-mingled
- eVS payment
- Didn't know

Mobile Buy It Now

Strong Participation

- Over 350 Mailers
- Over 2.5 B pieces (Tom Foti believes only 50MM nonprofit)
- 18% of Standard
- 3% of First Class

Total discount given - nearly 12MM

Survey to be sent in next two weeks.

2014 Promotions:

Branded Color Mobile

Promotion Feb-Mar 2014

So far 65 registered - USPS thinks this is good.

Eligible Mail:

- Standard and nonprofit letters and flats
- First-Class Mail presort and automation letter, cards and flats
- Discount 2% per eligible mail piece

Qualifications:

- A creative mobile barcode that incorporates one of the following
- Two or more colors set against a background
- A trade mark or graphic and at least one color
- Color digital image recognitions technology

Updated: 1/23/14

Pending resolution on incentive code issues:

- Mail.XML version 13.0A and 13.0 B-use CCR value MT
- Mail.dat version 13.1 use CCR value MT
- All other versions use CCR value CP

Full-Service Requirement Update

Branded Color Mobile Technology does not have a Full Service requirement
Premium Advertising and Color in First-Class Mail transactions Promo
Must be Full Service mailing

Mail and Digital Personalization Promotion, Emerging Technology Promotion
90% of mail pieces in statements must be Full Service

Updates:

Earned Value Promotion

- Requirements on RIBBS
- Registration opens Feb 15

Premium Advertising Promotion

- Requirements posted on RIBBS
- Letters sent to identified, eligible customers in late Dec (threshold 6MM standard mail letters)
- Registration open Feb 15

Questions can be send to: PremiumAdMail@usps.gov

Color in First-Class Mail Transactions

- Draft requirements sent to MTAC Promotions User Group (UG) #8 on 1/13
- Requirements will be posted to RIBBS end of next week

Question asked if promotion only mail owners. In this particular case the person was agency mailing millions for their clients. USPS said let's discuss - may do it since goal is to get buy up.

Email: FCMColorPromotion@usps.gov

Fax: 202-268-0238

Mail and Digital Personalization Promotion:

- Requirements posted on RIBBS
- Registration opens March 15

Updated: 1/23/14

Emerging Technology Promotion:

- Requirements posted by end of January
- NFC and other non-app driven technology focus Reality
- Potentially expanding promotion to include “Enhanced” Augmented
- Continuing to define these parameters/requirements

Mail Drives Mobile Commerce Promotion

- Requirements will be posted early Feb
- Further definitions of “enhance mobile purchasing” requirement (#of clicks/time to complete purchase)

MTAC User Group #8

Last meeting December 17, 2013

- Discussed industry ideas for CY 2015 Promotions
- Meeting notes posted on RIBBS

Next Meeting January 24

- Discuss any new industry ideas
- Discuss implementation issue around current promotions.

2015 Promotion Ideas

Extend and Build on Prior Promotions

Color/Transpromo

- Build on 1014 Promotion to next evolution in this process: a promotions related to color personalization (transpromo)

Augmented Reality

- Continue to explore other solutions/offerings for this technology type

Click to Chat

NFC

Earned Value

Mobile Barcode

ACTION ITEMS:

Pricing Issues:

Updated: 1/23/14

There exist some anomalies in some of the destination entry pricing. In past the discount was uniform over the postage tiers. This time it varies. Need USPS to issue statement as to whether they are going to change it or leave it.

Industry is asking for price chart to replace formula provided in initial rate filing for heavy mail (that is mail weighing over 3.3 ounces and less than 3.5 ounces)

Gary to bring the pricing issues to Cynthia Sanchez-Hernandez.

OTHERS

Some promotions require Full Service. Some mailers experienced problems on past promotion when PostalOne! would not apply discount because mailing statement contained a few pieces of non Full Service mail. This despite Full Service Compliance only requires 90% of mail to be Full Service. Therefore PostalOne! needs to be changed to accommodate non Full Service pieces within Full Service required mailings.

Tom Foti to check with Pritha Mehra to see if USPS has way to identify MSPs associated with eligible mail owners for the saturation and high density promotions (or other promotions where USPS identifies in advance eligible mail owners). Then USPS can contact MSP with mail owner contact information so MSP can follow up on communications sent by USPS to mail owners regarding the promotion.

Session 2: PACKAGE SERVICES

(John Medeiros, MTAC Industry Leader)

Package Services: Price Changes on Average

Priority Mail Express:	3.0%
Priority Mail:	0.0%
Parcel Select	9.2%
Parcel Return Service	3.0%
First Class	5.0%
Standard Post:	5.0%

Kathy Key presented:

Priority Mail Express: Retail Prices

Updated: 1/23/14

Average Retail Increase: 3.1%

- New: 10:30 am delivery with \$5 fee
- ½ pound price from \$16.95
- Flat Rate Envelope \$19.99
- Flat Rate Box \$44.95

Commercial Base

Commercial Plus:

New Zone 9 for Palau, Micronea, Marshall Islands

What's changing?

\$5 additional for street and PO B addresses for 10:30 AM delivery
12 noon or 3PM scheduled delivery available at no additional fee

Hold for Pick UP shipments

New 10:30 AM Delivery Identification Label

- Available in 1,000
- 4 x 3.5"

Priority Mail Express:

Change wording label # to description.

Adding scheduled delivery day to the shipping labels

- Click N Ship
- Click N Ship for Business
- Retail Systems
- Self Service Kiosk
- Optional for PC Postage and Commercial shippers

Priority Mail

Label added Expected Delivery Date on label

Authorize IMb on Priority mail letters and Flats

Authorization request must be made to USPS

First Class Package Services

NSA offering available for up to 5 lbs, requirement for service:

- eVS shipper

Updated: 1/23/14

- schedule FAST appointments
- banner text must read "FIRST-CLASS PKG SPEC"
- rate indicator in Shipping Services File

Standard Post:

- Overall average price increase is 5.2%
- Zones 1-4 up to 79lbs will be restricted
- Upgraded to priority Mail
- New Hazardous Material Service available for zones 1-9 up to 70 lbs
- New Additional services Doc in shipping service file for improved visibility
- Current markings still apply

Parcel Select: What's changing?-as of January 26

Sunday Delivery

- FAST appointments for DDUs or Hubs
- Including parcel select lightweight as a ride along
- Unique service type codes: insurance and signature Confirmation Service

Same Day Delivery:

- FAST appointments for DDUs
- Including Parcel Select Lightweight as a ride along

Next Day

- Fast appointments for DSCFs and DNDCS
- Including parcel select lightweight as a ride alone
- Mail prepare in 3 digit containers

Extended Coverage

- FAST app for DDU
- Including Parcel select light weight as a ride along

Requirements for all above:

- NSA
- eVS shipper
- Rate Indicator
- IMcb on Pallet Label

Business Reply Mail Parcels-Changes:

Final IMpb ruling

- Federal register notice published on December 19, 2013
- January 2014 option eliminated
- 6 month transition period for IMpb issue on Merchandise Return Service (MRS)
- 1 year for BRM parcel to transition to MRS

Communication

- Letter to impacted Customers mailed on January 2, 2014
- BMEU and BNS personnel

Proposal July 2014

To waive fee

Claims:

PS Form 1000 no longer available for filing claim

Need Deck for all missed information in presentation and to fill in details.

Sharon Owens-spoke about National Postal Forum (NPF) and asked how can we get more package shippers to NPF. If there are new educational workshop opportunities and/or other ways to reach this segment she requested folks to contact her so we could add them to the program.

Regarding new promotion ideas if industry has any requests, all requirements for anything new must be submitted by Gary by end of February (absolute latest) 2014 to have any chance of getting it approved and implemented by next January 2015.

ACTION ITEMS:

- **How does USPS communicate to package recipient that the Scheduled Delivery Day displayed on internal guaranteed products shipping labels is no longer valid.**
- **If Industry determines there are gaps in NPF session offerings for package services USPS will provide more sessions at NPF in specialized track with the goal of attracting additional package shipping attendees (industry should contact Sharon Owens).**

Session 3: FIRST-CLASS MAIL

(Sharon Harrison, MTAC Industry Leader)

Pulse of Industry-Sharon Harrison provided:

Highlights-

- Pointed out Promotions Users Group (UG) #8-Rose Flanagan Industry Leader - indicated email with submitted new ideas being sent to user group members prior to next meeting. Also posted on RIBBS
- Not in favor of exigent case

Alternate Postage:

Include the cost to mail card in cost of card. USPS piloted this product with Hallmark and was very successful so want to expand the program beyond greeting cards. Same information as provided in Standard Class mailing. IMb on card must be unique. Specifications will be on RIBBS.

Program does require a customized service agreement-not NSA-so easier to create.

First Class Mail Volume

	Oct14	Nov14
Presort	-2.6	-6.0
Single Piece	-5.2	-7.7

Value Hard Copy Mail Study

Nutur-Energi A/S-Danish Energy Company tested whether switching to paper invoices from email with a new population of customers would improve speed of payment. Also determined the total operational costs of using digital invoices vs. paper invoices

Study parameters

- Test population was 2,789 new customers
 - Payment behavior through a 2 month billing and payment cycle carefully monitored
 - Tracked form of reminder class to customer service Center and date of payment
- Study Results:
- Company Cost \$3.25/customer to get paid by paper invoice and \$5.75/customer bill by email - a difference of 42.8%
 - Speed of payment proved faster with paper invoices vs. email invoices

Customers that paid with first reminder

	Did Not	Did
Mail	71%	29%

Updated: 1/23/14

Email 41% 59%

USPS would like to do similar test with US company.

Creating New Opportunity for the mail using Alternate Postage

Highlights

- Using IMb technology to collect postage
- Picture Permit free of charge

Review of 2013 Promotions-

Emerging Technology Promotion

Over 100 participation

- Promotion encouraged technology adoptions
 - For 40% of respondent ET was a part of a new campaign at the respective companies
 - 100% of respondent had not used AR on mail piece prior to the promotion
- Augmented reality was technology of choice
 - 90% of respondents considered the AR
 - 64% response rate to survey

Mobile Buy It Now

Strong Participation

- Over 350 Mailers
- Over 2.5 B pieces (Tom Foti believes only 50MM nonprofit)
- 18% of Standard
- 3% of First Class

Total discount given nearly 12MM

Survey to be sent in next two weeks

Sharon Harrison: Looking for way for USPS to provide 'sale sheet' for Industry to help sell upcoming promotions to mail owners. Action Item for User Group 8

Updated: 1/23/14

Gary Reblin stated that those who participated in USPS promotions enjoyed a volume increase of plus 11% over prior year whereas those who did not participate had volume declines of -3%.

2014 Promotions:

Branded Color Mobile

Promotion Feb-Mar 2014

Eligible Mail:

- Standard and nonprofit letters and flats
- First-Class Mail presort and automation letter, cards and flats
- Discount 2% per eligible mail piece

Qualifications:

- A creative mobile barcode that incorporates one of the following:
- Two or more colors set against a background
- A trade mark or graphic and at least one color
- Color digital image recognitions technology

So far 65 registered - USPS thinks this is good

Pending resolution on incentive code issues:

- Mail.XML version 13.0A and 13.0 B-use CCR value MT
- Mail.dat version 13.1 use CCR value MT
- All other versions use CCR value CP

Full-Service Requirement Update

Branded Color Mobile Tech-no Full-Service requirement

Premium Advertising and Color in First-Class Mail transactions Promo

Must be Full-Service mailing

Mail and Digital Personalization Promotion, Emerging Tech Promotion

90% of mail pieces in statements must be Full-Service

Updates:

Earned Value Promotion

Updated: 1/23/14

- Requirements on RIBBS
- Registration opens Feb 15

Premium Advertising Promotion

- Requirements posted on RIBBS
- Letters sent to identified, eligible customers in late Dec (threshold 6MM standard mail letters)
- Registration open Feb 15

Questions can be send to: PremiumAdMail@usps.gov

Color in First Class Mail Transactions

- Draft requirements sent to MTAC UG#8 on 1/13
- Requirement will be posted to RIBBS end of next week.

Question asked if promotion only mail owners. In this particular case the person was agency mailing millions for their clients. USPS said let's discuss - may do it since goal is to get buy up.

Email: FCMColorPromotion@usps.gov

Fax: 202-268-0238

Mail and Digital Personalization Promotion:

- Requirements posted RIBBS
- Registration opens March 15

Emerging Technology Promotion:

- Requirements posted by end of January
- NFC and other non-app driven technology focus Reality
- Potentially expanding promotion to include "Enhanced" Augmented
- Continuing to define these parameters/requirements

Mail Drives Mobile Commerce Promotion

- Requirements will be posted early Feb
- Further definitions of "enhance mobile purchasing" requirement (#of clicks/time to complete purchase)

MTAC Promotions User Group #8

Last meeting December 17, 2013

- Discussed industry ideas for CY 2015 Promotions
- Meeting notes posted on RIBBS

Updated: 1/23/14

Next Meeting January 24

- Discuss any new industry ideas
- Discuss implementation issue around current promotions.

2015 Promotion Ideas

Extend and Build on Prior Promotions

Color/Transpromo

- Build on 1014 Promotion to next evolution in this process: a promotions related to color personalization (transpromo)

Augmented Reality

- Continue to explore other solutions/offering for this technology type

Click to Chat

NFC

Earned Value

Mobile Barcode

Mail Intercept-

Concept-health care sends out checks with funds available and wants checks back. Other First-Class Mail clients had uses.

USPS needs help in sizing the market as program will be expensive both upfront and incremental.

Oddity market since use only when needed-hard to determine how often service may be needed.

Steve Krejcik- will explore what recall demand is with Bell & Howell.

ACTION ITEMS:

- **Tom Foti asked industry to participate with us in research to show results of using paper invoices vs. email invoices (similar to the Danish Company research results which were reviewed today) and were favorable to hardcopy.**
- **Sharon Harrison: Looking for way for USPS to provide sale sheet for industry to help sell upcoming promotions to mail owners - for MTAC Promotions User Group (UG)# 8.**

Session 4: PERIODICALS

(John Stark, MTAC Industry Leader)

Pulse of the Industry

John Stark provided:

- Advertising pages down 4%, prior year 8%
- Digital readers grew 49% but only 2% of total ad pages on digital up 16%
- Hearst released letter increased profits two new titles
- Time Inc invested in People Magazine going to 38# paper (was in 29#)
 - Purpose was geared toward advertises not the readers.
 - Also hope to boast newsstand sales as better feel to purchaser
 - Monthly pubs fared better by being heavier stock
- Ad Age reduced publication frequency
- Onion shut down print product
- New York magazine frequency down
- All Recipe rate base 500M to 600M big for new pub
- Newsweek will publish in paper again
- Sesame Street also going back to print
- Some all digital now producing print-Angie's List, Politico

Below provided by Jack Widener

- B to B is down 8% this year. Down every year since 2008
- Exigency will have negative affect on mail volume

Industry Update

Volume Change: Does not include Dec volume (only Oct. /Nov.)

Q4 -6%

Q1 -5%

National Postal Forum (NPF)-Washington DC

Sessions Planned for Publishing & Print Track (Specialized)

- National Meeting of Mailing Industry Area Focus Groups
- USPS Flats Strategy for the Future
- Enhancing the Value of Print
- The Publisher Printer Relationship: But will you love me tomorrow?
- Everything you wanted to know about Periodicals but were afraid to ask
- Value of Association to Publishers and Printers

Updated: 1/23/14

If industry has ideas for any other sessions they should contact Sharon Owens since there is still time to add to the program. Industry will need time and dates for the sessions quickly, so attendees can plan their time accordingly and avoid conflicts.

PAG Update

- Decision has not been made: Coupon Value-how to value coupon that is used for nominal subscriptions-working with PCSC to determine % of coupons to use. Presently PCSC offer 10%, industry feels too high
- Eliminating marked copy requirement-need to get letter to PCSC (Jack Widener)
- Marking interactive links with Edit pages-PSCS is to rewrite existing CSR that deals with QR codes-Tom Foti/Gary Reblin to talk to Chuck Tricamo. Be helpful to resolve before NPF so it can be announced and be completed. Action Item for Tom Foti
- Recommendations and next steps from WG 158 on 3510/3526 forms
 - Steve Smith indicated Pritha Mehra thought it would be in July or later release-not sure if that will happen. To follow up with Pritha and send recommendations to Tom Foti as well. Peter Moore suggests USPS just make fillable PDF for now.
- Implementing new air box requirements in January
 - USPS commitment to have new software in July release time. Posta One! part completed in Oct 13 release
- Review USPS tests on 24 oz flats on automation within co-mail
 - CSR allows 22 oz so changing to have up to 25% 24 oz in Co-Mail Only
- Combining Periodicals Publications
 - When mailing two pieces together, presently title with higher advertising pays piece all information in form, second title not all data filled. eDoc and P1 will not allow 3521 to be produced without all the information. Manual work arounds, working with PCSC to find better way
- Product Samples in Periodicals
- Flats PARS

2014 Saturation & High Density Incentive

7,100 invitations mailed to customer
300 registered as of 1/8/14

Period Jan 1-Dec 31, 2014

Registration: Nov 12-Jan 31

Mid January-Volume Threshold Report, Certification Form and Threshold Inquiry Form sent to registrants

March 5-Certification Form or Threshold Inquiry Form Deadline

Emerging Technology Promotion

Over 100 participation

- Promotion encouraged technology adoptions
 - For 40% of respondent ET was a part of a new campaign at the respective companies
 - 100% of respondent had not used augmented reality on mail piece prior to the promotion
- Augmented Reality was technology of choice
 - 90% of respondents exclusively considered the Augmented Reality component - did not consider Near Field Communication (NFC) or Authentication.
 - 64% response rate to survey

Product Samples Promotion

Customer Survey:

- Participants:
- Respondents said volume increased by up to 10% after being aware of promotion
- Some indicated that the discount amount (5%) did not inspire them to participate but did allow them to mail more volume
- Some sped up their process to make the promotion mail date

Non Participant:

Reasons why not:

- Did not register in time
- Non client interest
- Marketing parcel co-mingled
- eVS payment
- Didn't know

Mobile Buy It Now

Strong Participation

- Over 350 Mailers
- Over 2.5 B pieces (Tom believes only 50MM nonprofit)
- 18% of Standard
- 3% of First Class

Total discount given nearly 12MM

Updated: 1/23/14

Survey to be sent in next two weeks

2014 Promotions:

Branded Color Mobile

Promotion Feb-Mar 2014

So far 65 registered USPS think good

Eligible Mail:

- Standard and nonprofit letters and flats
- First-Class Mail presort and automation letter, cards and flats
- Discount 2% per eligible mail piece

Qualifications:

- A creative mobile barcode that incorporates one of the following
- Two or more colors set against a background
- A trade mark or graphic and at least one color
- Color digital image recognitions technology

Pending resolution on incentive code issues:

- Mail.XML version 13.0A and 13.0 B-use CCR value MT
- Mail.dat version 13.1 use CCR value MT
- All other versions use CCR value CP

Full-Service Requirement Update

Branded Color Mobile Tech-no Full-Service requirement

Premium Advertising and Color in First-Class Mail transactions Promo

Must be Full-Service mailing

Mail and Digital Personalization Promotion, Emerging Tech Promotion

90% of mail pieces in statements must be Full-Service

Updates:

Earned Value Promotion

- Requirements on RIBBS

Updated: 1/23/14

- Registration open Feb 15

Premium Advertising Promotion

- Requirements posted on RIBBS
- Letters sent to identified, eligible customers in late Dec (threshold 6MM standard mail letters)
- Registration open Feb 15

Questions can be send to: PremiumAdMail@usps.gov

Color in First-Class Mail Transactions

- Draft requirements sent to MTAC UG#8 on 1/13
- Requirement will be posted to RIBBS end of next week.

Email: FCMColorPromotion@usps.gov

Fax: 202-268-0238

Mail and Digital Personalization Promotion:

- Requirements posted RIBBS
- Registration opens March 15

Emerging Technology Promotion:

- Requirements posted by end of January
- NFC and other non-app driven technology focus Reality
- Potentially expanding promotion to include “Enhanced” Augmentation
- Continuing to define these parameters/requirements

Mail Drives Mobile Commerce Promotion

- Requirements will be posted early Feb
- Further definitions of “enhance mobile purchasing” requirement (#of clicks/time to complete purchase)

MTAC Promotions User Group (UG) #8

Last meeting December 17, 2013

- Discussed industry ideas for CY 2015 Promotions
- Meeting notes posted on RIBBS

Next Meeting January 24

- Discuss any new industry ideas
- Discuss implementation issue around current promotions.

2015

Updated: 1/23/14

Periodical Advertiser Promotion

Tom Foti wants to set up industry call to discuss this idea and will co-ordinate with John Whittington.

There was discussion around tying in load leveling to promotions.

ACTION ITEMS:

Tom Foti wants to set up industry call to discuss Periodicals advertiser promotion ideas for 2015 and will co-ordinate with John Whittington.

Combining Periodicals Publications

When mailing two pieces together, presently title with higher advertising pays piece, all information in form, second title not all data filled. eDoc and P1 will not allow 3521 to be produced without all the information. Manual work arounds, working with PCSC to find better way.

Marking interactive links with Edit pages-PCSC is to rewrite existing CSR that deals with QR codes-Tom Foti to talk to Chuck Tricamo. Be helpful to resolve before NPF so it can be announced and be completed.

Eliminating marked copy requirement-need to get letter to PCSC (Jack Widener)